

117TH CONGRESS
1ST SESSION

H. R. 5523

To help Americans pay down student loan debt or pay for education or training to develop or improve workforce skills.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2021

Mr. LAMB introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To help Americans pay down student loan debt or pay for education or training to develop or improve workforce skills.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Pay Down, Upskill
5 Act of 2021”.

6 SEC. 2. PAY DOWN OR UPSKILL EDUCATION BENEFIT PRO-

7 GRAM.

8 (a) PROGRAM ESTABLISHED.—

9 (1) IN GENERAL.—The Secretary of Education
10 shall carry out a program, known as the “Pay Down

1 or Upskill Education Benefit Program”, to provide
2 to each eligible individual, upon application and ap-
3 proval, an education benefit to—

4 (A) repay all or part of the qualifying stu-
5 dent loans of the eligible individual, in accord-
6 ance with subsection (b); or

7 (B) pay all or part of the qualified edu-
8 cational expenses of the eligible individual, in
9 accordance with subsection (c).

10 (2) ELIGIBLE INDIVIDUAL.—An individual shall
11 be an “eligible individual” for purposes of this Act
12 if the individual—

13 (A) is not younger than 18 years of age
14 and not older than 65 years of age on the date
15 that the individual applies for an education ben-
16 efit under this Act; and

17 (B) received any credit or refund allowed
18 or made to the individual by reason of section
19 6428B of the Internal Revenue Code of 1986
20 (as added by section 9601 of the American Res-
21 cue Plan Act of 2021 (Public Law 117–2)).

22 (3) EDUCATION BENEFIT AMOUNT.—The
23 amount of an education benefit provided to an eligi-
24 ble individual in accordance with this Act shall be—

15 (5) DEADLINE FOR APPLICATIONS.—To be con-
16 sidered for an education benefit under this section,
17 an eligible individual shall submit an application in
18 accordance with this section before the date that is
19 5 years after the date of the enactment of this Act.

20 (b) USE OF EDUCATION BENEFIT TO PAY DOWN

21 STUDENT LOAN REPAYMENT

1 mit, in a manner prescribed by the Secretary, an ap-
2 plication to the Secretary that—

3 (A) identifies, or permits the Secretary to
4 identify, the holder or holders of such loans;

5 (B) indicates, or permits the Secretary to
6 determine, the amounts of principal and inter-
7 est outstanding on the loans;

8 (C) specifies, if the outstanding balance is
9 greater than the amount of the maximum edu-
10 cation benefit under subsection (a)(3), which of
11 the loans the individual prefers to be paid by
12 the Secretary; and

13 (D) contains or is accompanied by such
14 other information as the Secretary may require.

15 (2) DISBURSEMENT OF LOAN REPAYMENTS.—

16 Upon receipt of an application that complies with
17 paragraph (1) from an eligible individual, the Sec-
18 retary shall, as promptly as practicable, repay the
19 amount of the education benefit of the individual de-
20 termined under subsection (a)(3) by—

21 (A) disbursing such amount by check or
22 other means that is payable to the holder of the
23 loan and requires the endorsement or other cer-
24 tification by the eligible individual; or

(B) in the case of a loan held by the Secretary, cancelling such amount.

1 if the loan is subsequently sold, transferred, or as-
2 signed to some other person, and such other person
3 acquires a legally enforceable right to receive pay-
4 ments from the borrower, such other person.

5 (c) USE OF EDUCATION BENEFIT FOR EDUCATIONAL
6 EXPENSES TO UPSKILL.—

7 (1) APPLICATION BY ELIGIBLE INDIVIDUAL.—
8 An eligible individual who desires to apply the edu-
9 cation benefit of the individual under this section to
10 the payment of qualified educational expenses shall,
11 on a form prescribed by the Secretary, submit an
12 application to the eligible institution in which the
13 student will be enrolled that contains such informa-
14 tion as the Secretary may require to verify the indi-
15 vidual's eligibility for such benefit.

16 (2) SUBMISSION OF REQUESTS FOR PAYMENT
17 BY INSTITUTIONS.—An eligible institution that re-
18 ceives one or more applications that comply with
19 paragraph (1) shall submit to the Secretary a state-
20 ment, in a manner prescribed by the Secretary,
21 that—

22 (A) identifies each eligible individual filing
23 an application under paragraph (1) for a dis-
24 bursement of the individual's education benefit
25 under this subsection;

(B) specifies the amounts for which such eligible individuals are, consistent with paragraph (6), qualified for disbursement under this subsection;

5 (C) certifies that—

(D) contains such provisions concerning financial compliance as the Secretary may require.

(3) DISBURSEMENT OF PAYMENTS.—Upon receipt of a statement from an eligible institution that complies with paragraph (2), the Secretary shall disburse the total amount of the education benefit for which eligible individuals who have submitted applications to that institution under paragraph (1) are scheduled to receive. Such disbursement shall be made by check or other means that is payable to the institution and requires the endorsement or other certification by the eligible individual.

(4) REFUND RULES.—The Secretary shall, by regulation, provide for the refund to the Secretary (and the crediting to the education benefit of an eligible individual) of amounts disbursed to institutions for the benefit of eligible individuals who withdraw or otherwise fail to complete the period of enrollment for which the assistance was provided. Such regulations shall be consistent with the fair and equitable refund policies required of institutions pursuant to section 484B of the Higher Education Act of 1965 (20 U.S.C. 1091b). Amounts refunded to the Secretary pursuant to this paragraph may be used by the Secretary to fund additional education benefits for eligible individuals under this Act.

1 (5) MAXIMUM BENEFIT FOR A PERIOD OF EN-
2 ROLLMENT.—The portion of an eligible individual's
3 total available education benefit that may be dis-
4 bursed under this subsection for any period of en-
5 rollment shall not exceed the difference between—

6 (A) the tuition and fees charged to the eli-
7 gible individual for such period of enrollment;
8 and

9 (B) the student's estimated financial as-
10 sistance for such period under part A of title IV
11 of the Higher Education Act of 1965 (20
12 U.S.C. 1070 et seq.).

13 (d) DEFINITIONS.—In this section:

14 (1) ELIGIBLE INSTITUTION.—The term “eli-
15 gible institution” means—

16 (A) an institution of higher education—
17 (i) that has the meaning given such
18 term in section 101 of the Higher Edu-
19 cation Act of 1965 (20 U.S.C. 1001); or
20 (ii) that is a provider on a list of eligi-
21 ble providers of training services under
22 section 122(d) of the Workforce Innovation
23 and Opportunity Act (29 U.S.C. 3152(d));
24 or
25 (B) an entity that offers a program—

(ii) that is provided by a provider that
is not on a list described in clause (i) but
that, upon petition to the Secretary of
Labor by an eligible individual, the Sec-
retary determines based on indicators of
performance under section 116 of the
Workforce Innovation and Opportunity Act
(29 U.S.C. 3141) has, for at least the five
previous years, a record of good outcomes
as defined by the State plan submitted
under section 102 or 103 of such Act (29
U.S.C. 3112; 3113) with respect to such
provider.

(3) QUALIFIED STUDENT LOANS.—The term “qualified student loans” means—

(A) any loan made, insured, or guaranteed under part B, part D, or part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) before the date of enactment of this Act, including—

(B) a private education loan, as defined in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)), that—

22 (i) was expressly for the cost of at-
23 tendance (as defined in section 472) at an
24 institution of higher education partici-
25 pating in a loan program under part B,

1 part D, or part E of title IV of the Higher
2 Education Act of 1965 (20 U.S.C. 1070 et
3 seq.), as of the date that the loan was dis-
4 bursed; and

5 (ii) was made before the date of en-
6 actment of this Act; and

7 (C) any loan made pursuant to title VII or
8 VIII of the Public Health Service Act (42
9 U.S.C. 292a et seq.) before the date of the en-
10 actment of this Act.

11 (4) RECOGNIZED POSTSECONDARY CREDEN-
12 TIAL.—The term “recognized postsecondary creden-
13 tial” has the meaning given such term in section 3
14 of the Workforce Innovation and Opportunity Act
15 (29 U.S.C. 3102).

16 (5) SECRETARY.—The term “Secretary” means
17 the Secretary of Education.

